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601 Union Street
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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, Rm. 7206
Hearing Date: December 7, 2018
Response Date: November 30, 2018
Hearing Time: 9:30am

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

NORTHWEST TERRITORIAL MINT
LLC,

Debtor.

No. 16-11767-CMA

G.R.A.CO. AWARDS
MANUFACTURING, LP AND
RETT, LP'S RESPONSE TO THE
TRUSTEE'S MOTION TO
APPROVE AND DISALLOW COST
OF ADMINISTRATION CLAIMS

Rett, LP ("Rett") and G.R.A.Co. Awards Manufacturing, LP ("Graco Awards") submit this Response to the Trustee's Motion to Approve and Disallow Cost of Administration Claims. Rett and Graco Awards request the court to deny the Trustee's objection to their cost of administration claims totaling \$112,088.29 by Rett and \$58,111.14 for Graco Awards and as detailed herein.

1. Post-Petition Breakup Fee Claimed by G.R.A.Co. Awards Manufacturing, LP, Tom Tucker and Larry Cook. G.R.A.Co. Awards Manufacturing, LP ("Graco Awards") entered into a contract with the Trustee to purchase the assets of the Debtor's business minting coins,

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AND RETT, LP'S RESPONSE TO THE
TRUSTEE'S MOTION TO APPROVE AND
DISALLOW COST OF ADMINISTRATION
CLAIMS - 1

L A S H E R	2600 TWO UNION SQUARE
H O L Z A P F E L	601 UNION STREET
S P E R R Y &	SEATTLE, WA 98101-4000
E B B E R S O N	(206) 624-1230
	FAX (206) 340-2563

1 awards, and medallions for third parties. The Trustee filed a motion to approve the sale including
2 a break-up fee to Tom Tucker and Larry Cook, as owners of Graco Awards which had recently
3 been formed to acquire the assets. The court subsequently approved a sale to another purchaser
4 and the court continued the hearing for approval of the payment of the break-up fee to Tom
5 Tucker, Larry Cook and/or to Graco Awards as their assignee. At a subsequent hearing, Graco
6 Awards requested payment of \$52,111.14 plus costs and attorney's fees in the amount of not to
7 exceed \$6,000. The Trustee objected to payment of any amount in excess of \$25,000, however,
8 the Trustee supported payment of a \$25,000 break-up fee. Subsequently, the parties entered into a
9 settlement agreement, however, final court approval was never obtained. The matter was not
10 concluded, however, it is clear that Graco Awards timely asserted a claim that was acknowledged
11 by the Trustee. Therefore, that claim should not be disallowed and instead should be approved in
12 the amount of between \$25,000-\$58,111.14.

16 2. **Lease Agreement.** RETT and Northwest Territorial Mint, LLC (the "Debtor")
17 entered into a Commercial Lease Agreement (the "Lease"), the effective date of which was May
18 12, 2011. A true and correct copy of that Lease was attached to Tom Tucker's June 21, 2016
19 Declaration as Exhibit A, (see Docket # 439, attachment 2).

22 3. **Rett Incurred Post-Petition Costs of Administration During the Trustee's**
23 **Occupancy of the Premises.** Attached as Exhibit "1" to the Declaration of Tom Tucker in
24 Response to the Trustee's Motion to Allow/Disallow Claims ("Tucker Decl.") is a summary of the

1 post-petition expenses incurred and paid by Rett totaling \$112,088.29 and pertaining to post-
2 petition damages incurred during the Trustee's tenancy of the property.

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4 **a. During the Trustee's Occupancy and When The Trustee Moved Out of**
5 **the Premises Environmental Damage Occurred That Had to Be Cleaned Up So the Property**
6 **Could be Re-Leased.** Mr. Tucker and other Rett representatives observed and documented
7 damage to the leased premises that was incurred during the post-petition occupancy and during the
8 Debtor's vacation of the leased space. The damage included environmental contamination of the
9 property when equipment and stored hazardous chemicals were removed from the property and
10 spilled or released on the premises. Attached as Exhibit "1" to the Tucker Decl. is a copy of the
11 New Tech Global Environmental, LLC invoices for testing, remediation and clean up of the
12 premises. The total expenses incurred and paid by Rett was \$28,944.85. Attached as Exhibit "2"
13 to the Tucker Decl. is an accounting with pictures of the ongoing damage that occurred to the
14 property during the post-petition occupancy and during the moving process and that were
15 observed and recorded.
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19 **b. Additional Damages and Necessary Building Repair.** Similarly, during
20 the post-petition move-out process there were additional damages to the building that had to be
21 repaired before it could be re-leased. Many expenses related to the environmental damage as well.
22 Attached as Exhibit "3" to the Tucker Decl. are correct copies of contractor invoices paid by Rett
23 for the repairs, drywall contractor bills, and bills for materials including new carpet. The total of
24 all repair costs were \$46,466.44.
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